

Alan F. Ciamporcero
Vice President

1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 383-8411

PACIFIC  **TELESIS**
Group - Washington

March 1, 1996

RECEIVED
MAR - 1 1996
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communication Commission
1919 M Street, NW, Room 222
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Re: *WT Docket No. 96-6, Amendment of the Commission's Rules to Permit Flexible Service Offerings in the Commercial Mobile Radio Services*

On behalf of Pacific Telesis Group, please find enclosed an original and six copies of its "Comments" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosure

CH5

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED
MAR - 1 1996
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Amendment of the Commission's Rules
To Permit Flexible Service Offerings
in the Commercial Mobile Radio Services

WT Docket No. 96-6

COMMENTS OF PACIFIC TELESIS GROUP

I. INTRODUCTION.

Pacific Telesis Group is pleased that the Commission has issued a Notice of Proposed Rulemaking in the above-captioned proceeding.¹ Under the current rule for PCS that permits the provision of fixed services that are incidental to mobile services,² it has been difficult to determine exactly what falls into the incidental category. Adoption of the Commission's proposal to clarify that commercial mobile radio service ("CMRS") providers have broad flexibility to offer fixed wireless local loop services in conjunction with their mobile services will promote a wider variety of service offerings by CMRS providers.

II. THE COMMISSION'S DEFINITION OF WIRELESS LOCAL LOOP SHOULD BE ADOPTED.

The Commission proposes that "wireless local loop" be defined as "the path between the subscriber and the first point of switching or aggregation of traffic"³ and requests comment on this definition.

¹ Amendment of the Commission's Rules to Permit Flexible Service Offerings in the Commercial Mobile Radio Services, WT Docket No. 96-6, Notice of Proposed Rulemaking, released January 25, 1996 ("NPRM").

² 47 CFR §24.3.

³ NPRM, para. 6.

We strongly agree with the proposed definition. It is broad enough to encompass both fixed and mobile arrangements. This will give the wireless provider the ability to better meet the needs of its customers. In some circumstances, a subscriber will want complete mobility. In other circumstances, such as from a house to the first point of traffic aggregation, a subscriber will find that a fixed wireless application is desirable. PCS providers should have the ability to provide both.

The Commission questions whether all CMRS providers should have the same flexibility as PCS providers with respect to fixed applications.⁴ As the Commission notes, since other CMRS providers have the potential to compete with PCS, in the interest of regulatory symmetry, it is reasonable to permit cellular and SMR providers to provide fixed wireless local loop services on their licensed cellular and SMR spectrum. However, if the Commission decides that it is in the public interest to limit the flexibility of some CMRS providers with respect to fixed services, PCS providers should have the greatest flexibility since they received their licenses through the auction process.

III. STATES SHOULD RETAIN JURISDICTION OVER FIXED WIRELESS SUBSTITUTES FOR WIRELINE LOCAL LOOPS.

The Commission proposes to treat fixed wireless local loop services as an integral part of the CMRS services offered by a CMRS provider, so long as the carrier otherwise offers interconnected, for-profit mobile service to the public on the licensed CMRS spectrum as provided by the Communications Act.⁵ We disagree. Telecommunications technologies are developing very quickly and wireless technologies can be used to provide an increasingly broad array of services traditionally provided by LECs. A fixed wireless local loop technology⁶ that is used to provide

⁴ Id. at para. 18.

⁵ Id. at para. 20.

⁶ Fixed wireless local loop is any CMRS service where the customer's dedicated radio transmit/receive unit is intended to be permanently installed on a stationary structure. The customer premises equipment that runs behind this transmit unit consists of wired telephones or commercial cordless products (Part 15). The cordless products also work on wireline as cordless phones. When the customer premise equipment moves outside of the range of the customer's fixed transmit/receive unit, there is no hand-off to another unit.

local exchange service should be regulated in the same manner as the local exchange service provided by LECs and wireline competitors. Similar services should be subject to the same regulation regardless of the underlying technology.

In California, competition has been introduced in the local exchange market, and competitive local exchange carriers (“CLECs”) are subject to certain requirements imposed by the California Public Utilities Commission (“CPUC”) with respect to their provision of local exchange service. If a competitor can offer local exchange service over a fixed wireless technology but be subject to reduced regulatory requirements as compared to LECs, competition will not develop fairly.⁷ We urge the Commission to ensure that the states retain jurisdiction with respect to fixed wireless local loop services that provide a replacement for local exchange services. As the degree of local competition increases, regulation of LECs, CLECs and fixed wireless local loop service providers should be reduced.

IV. UNIVERSAL SERVICE OBLIGATIONS SHOULD BE ADDRESSED ON THE ONGOING UNIVERSAL SERVICE PROCEEDING.

The Commission requests comment “on the extent to which any of its universal service programs should be modified to encompass, or impose obligations on CMRS providers that offer the equivalent of local exchange service.”⁸ We agree with the Commission’s tentative conclusion that universal service programs should not favor a particular technology. Therefore, we support the Commission’s preference that all issues including any raised in this proceeding relating to universal service obligations should be addressed in the universal service proceedings. It should be noted that the CPUC also imposes universal service requirements on LECs and CLECs.

⁷ Number portability, dialing parity, and resale are requirements imposed on all local exchange carriers by the Telecommunications Act of 1996. If fixed wireless local loop providers provide competitive local exchange service without these same requirements, the land line local loop competitors will be significantly disadvantaged, and customers will have less flexibility in changing their local service provider.

⁸ Id. at para. 21.

V. THE MARKET, NOT REGULATION, SHOULD DETERMINE WHAT FIXED SERVICES ARE OFFERED BY CMRS PROVIDERS.

The Commission notes that other potential wireless fixed services may include wireless Internet access, electronic funds transfers, etc.⁹ The Commission requests comment on whether such potential uses should be included or excluded in the proposed definition of wireless local loop.¹⁰ Since the Commission's definition of a wireless local loop is very broad, any fixed use that fits into that category should be allowed. For example, wireless Internet access fits within the definition of wireless local loop and may be fixed or mobile. The Commission should not restrict the definition of wireless local telephone service to certain services.

Wireless technology is changing rapidly. We strongly urge the Commission to let the market decide what fixed wireless services can be offered over spectrum licensed to CMRS providers, while recognizing that fixed wireless local loop services used to provide local exchange service should be regulated by state commissions.

VI. THE PRIOR COORDINATION REQUIREMENT SHOULD BE ELIMINATED FOR BASE STATIONS OPERATING AT 100 mW OR LESS.

The Commission requests comment on whether additional interference or other operational rules are needed to accommodate fixed wireless local loop uses of broadband PCS channels.¹¹ The Commission also asks if changes are needed to the existing technical rules with respect to fixed wireless local loop uses.¹² We have a recommendation for a rule change that is not related to the fixed wireless local loop but which would enable an innovative use of the PCS spectrum. One of the mobile applications consumers may demand is a cordless telephone application that would use licensed PCS spectrum to communicate with the base station in the

⁹ Id. at para. 22.

¹⁰ Id.

¹¹ Id. at para. 15.

¹² Id.

home.¹³ The home base station, unlike the fixed wireless local loop antenna, is connected directly to land line local loops, and calls placed through the home base station enters the land line network directly. Outside of the home the caller could enter the PCS network. Similarly, we expect there will be customers who want similar solutions in business applications.

A problem arises under the current rules because under Section 24.237, the home base would be considered a base station subject to interference analysis and prior coordination processes. This means that any existing microwave user within 90 Km of the base station would have to be notified prior to the operation of the home base station. This would be very burdensome to administer and would also raise privacy issues since the consumer's location would be shared with the microwave incumbent.

Home base stations would operate at very low power levels, typically less than 100 mW, similar in power to a baby monitor. Given the low power and the location of the device in a building where the transmission would encounter substantial signal loss, it would not serve the interest of the public, the PCS provider, or the incumbent microwave incumbent to require prior coordination of these devices.

For this reason, we recommend that the Commission include in its rules a specific exemption of the prior coordination requirement for home base stations operating at 100 mW or less. This rule change would allow PCS licensees to offer more innovative wireless services to the public.

¹³ Unlicensed PCS spectrum is also a possibility but in the near term it is not practical because the band has not been cleared.

VII. THE COMMISSION SHOULD BE PREPARED TO MAKE ADDITIONAL SPECTRUM AVAILABLE OVER TIME.

The Commission notes that its original purpose in limiting CMRS spectrum to mobile and related services was to ensure adequate spectrum for these services, which cannot be provided at higher frequencies.¹⁴ It seeks comment on whether the currently allocated PCS spectrum will provide sufficient capacity for mobile uses if fixed wireless local loop services are provided on broadband PCS spectrum.¹⁵ PCS licensees spent considerable sums acquiring their licenses. They should be able to decide which services should be offered from an economic perspective.

Thus, we support the Commission's alternative proposal to allow the market to determine the most efficient use of the broadband PCS spectrum. In the near term, the PCS licensees will have sufficient capacity for whatever they want to do. However, the Commission should consider that as more and more wireless applications come to market, additional spectrum may be necessary for mobile uses, fixed uses and combined mobile and fixed uses for all CMRS providers. Specifically, the FCC should continue to work on obtaining additional spectrum from the federal government. In particular, the 1710-1850 band would be ideal for the future expansion of PCS services.

¹⁴ Id. at para. 5.

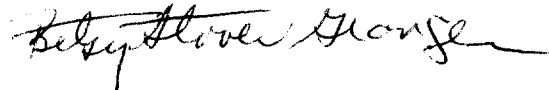
¹⁵ Id. at para. 14.

VII CONCLUSION.

We strongly support the Commission's proposal to clarify that the provision of fixed wireless local loop services is a permissible use of CMRS spectrum, and we propose that states retain jurisdiction over fixed wireless local loop services that are used to provide local exchange service. All wireless applications other than the fixed wireless local loop services should be regulated as a commercial mobile service under Section 332(c) of the Communications Act. As the Commission recognizes, the ability of a provider to offer a "menu" of wireless services is highly desirable. The flexibility inherent in the Commission's proposal should support a wider array of services and more competitive offerings in CMRS which ultimately will benefit the public.

Respectfully submitted,

PACIFIC TELESIS GROUP



JAMES P. TUTHILL
BETSY STOVER GRANGER

4420 Rosewood Drive
4th Floor, Building 2
Pleasanton, CA 94588
(510) 227-3140

JAMES L. WURTZ
MARGARET E. GARBER

1275 Pennsylvania Avenue, NW
Washington, D.C. 20004
(202) 383-6472

Its Attorneys

Date: March 1, 1996